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SOURCE Wen-hui Pao.

ADMINISTRATION COUNCIL ISSUES REGULATIONS
FOR PROPERTY DEED TAX

Peiping, 3 April (Hsin-hua) -- The Administration Council of the Central government of the People's Republic of China, at its 26th session, passed the following regulations concerning the tax on property deeds.

1. The following regulations have been formulated to preserve the real property rights of the people and to facilitate transfers of same.
2. These regulations shall apply in rural areas where land reform has been completed but shall be universally applied in cities.
3. In all sales, mortgaging, gifts, or trading of real estate, the transaction should be in accord with the records, a mutual contract should be drawn, and the receiver of the property should pay the deed tax in accordance with these regulations.
4. The tax shall be collected by the hsien or municipal government or other government unit of similar rank having jurisdiction.
5. The tax rate shall be as follows:
 - a. Deed tax on purchased real estate -- 6 percent of the purchase price.
 - b. Mortgage tax -- 3 percent of the mortgage
 - c. Deed tax on real estate obtained by gift -- 6 percent of value
6. In case a person or members of his family buys a piece of land on which a mortgage has been held by that person, the amount already paid on the mortgage may be deducted from the amount of tax due on the purchase deed.
7. In case of barter of real estate, if the two properties are of even value, no tax is required. If there is a disparity of values, the tax will be collected on the amount of the difference in value at the same rate as for a sale, 6 percent.

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8. In case of any of the kinds of deals mentioned above between a government agency and private individuals, the same tax procedure should be followed.

9. In cases where real estate that has been held jointly is divided, the old deed and the division agreement shall be submitted together for examination and approval, after which new deeds shall be prepared. On the new deeds there shall be no tax. A documentary and service fee will be charged.

10. In case of destruction or loss of a deed upon which tax has already been paid, a report shall be made to the ch'u or village, whereupon the authorities shall call together the owners of the adjoining property to testify to the truth of the matter, after which a new deed may be issued without tax. A documentary and service fee will be charged.

11. Deed taxes should be paid within 3 months of the date of the transaction. Those paying after 3 months shall pay a fine of 20 percent of the original amount of the tax for each month of delinquency.

12. Those who report the price involved in a transaction at less than the true amount shall be required to secure a new deed and to pay the unpaid tax, and shall be fined from 200 to 500 percent of the amount of the original tax deficit.

13. Any person having bought, mortgaged, received by legacy, or exchanged property, who reports the deal as division of property or under some other category with a view to avoiding the deed tax payment, or any person who deliberately fails to report a transaction with a view to concealment, must secure a new correct deed, pay the tax due, and shall be subject to a fine of from six to ten times the amount of the tax itself.

14. Any person who devises false documents to unlawfully take possession of another's real estate, or who under an assumed name registers as his own and pays the deed tax of property of an enemy of the state that should be confiscated, shall, upon discovery, have the tax he has paid confiscated and shall be prosecuted in the courts.

15. The detailed application of these regulations shall be carried out by the authorities concerned on all levels according to the immediate circumstances. They shall also report to the Ministry of Finance of the Central People's government for record.

16. These regulations shall be in effect from date of publication.

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